

***United States Court of Appeals  
for the Second Circuit***



**BRIEF FOR  
APPELLANT**



ORIGINAL

# 74-2139

In The  
**United States Court of Appeals**  
For The Second Circuit

HYMAN KRAMER, doing business as HY KRAMER  
ENTERPRISES,

*Plaintiff-Appellant,*

vs.

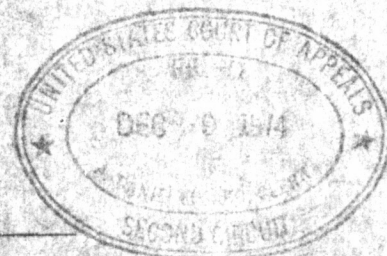
DURALITE COMPANY, INC., and G & A MACHINE WORKS,  
INC.,

*Defendants-Appellees.*

*On Appeal from The United States District Court for the Southern  
District of New York*

## BRIEF FOR DEFENDANTS-APPELLEES

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IN THE  
UNITED STATES COURT OF APPEALS  
FOR THE SECOND CIRCUIT

Appeal No. 74-2139

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HYMAN KRAMER, doing business as  
HY KRAMER ENTERPRISES,

Plaintiff, Appellant,

v.

DURALITE COMPANY, INC., and G & A MACHINE WORKS, INC.,

Defendant-Appellees.

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On Appeal From The United States District Court  
For the Southern District of New York

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BRIEF FOR DEFENDANT-APPELLEE

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QUESTIONS PRESENTED

No. 1. Did the District Court rightly hold  
this case to be "exceptional" within the meaning  
of 35 U.S.C. Sec. 285?

No. 2. Did the District Court properly award  
\$16,970.00 as an amount of attorney's fees to  
G & A?

No. 3. Did the District Court act improperly in causing trial to commence, after the trial had been on the ready reserve calendar for over 30 days, although there was a late substitution of counsel?

STATEMENT OF THE CASE

Summary of the District Court Proceedings  
Defendant-Appellee adopts Plaintiff-Appellant  
"Summary of District Court Proceedings".

STATEMENT OF FACTS RELEVANT TO  
THE ISSUES PRESENTED FOR REVIEW

The Plaintiff-Appellant's so-called "Statement of Facts" includes pivotal facts which are misrepresented, distorted and omits other facts.

The facts as found by the District Court are fairly simple:

1. The patent, which is concerned with hinge leg brackets, includes claims specifically directed to the physical construction, including angles and sizes of the actual leg bracket.

2. Kramer conceived of the concept of nesting such brackets and approached Gonsalves so that Gonsalves could figure out a way in which to accomplish the nesting.

3. Although Kramer testified that he alone figured out all the angles, sizes and specific structural details of the bracket, the District Court found as a fact that Kramer lied as to this and that Gonsalves in fact was the "inventor" of the actual bracket design.

4. The patent which was granted to Kramer, was granted to the specific design, falsely represented by Kramer to be his invention.

5. Based upon this falsely procured patent, Kramer sued the Defendant and others for patent infringement for an "invention" which was not his own, and which he knew was not his own.

6. The instructions actually given by Kramer to Gonsalves, as the Court found, was to figure out a way to accomplish the nesting, although Kramer testified he actually had figured all the angles out prior to giving the work to Gonsalves and that Gonsalves merely did exactly what Kramer asked without any "inventive" activity on his own. This, the Court found to be false and that Kramer lied as to this point, which point served as the basis upon which the patent was granted.



7. Gonsalves was at all times an independent contractor and never was a part-time employee of Kramer.

ARGUMENTSUMMARY OF ARGUMENT

It is hard to conceive how much more willful and deliberate Kramer's conduct could have been than that found as a fact by the District Court in finding that Kramer lied to the Patent Office and to the Court in his testimony where he directly, purposefully and deliberately stated that he in fact not only conceived of nesting but actually designed the actual angles, legs, parts and other components which formed the basis for the patent-in-suit. How much more gross Kramer's conduct must be to enable it to be characterized as "fraud" is hard to imagine, and to repeat the fraudulent lies made before the Patent Office to the face of the District Court underlines the reckless nature of Kramer's conduct.

The District Court has broad discretion in determining when it encounters an "exceptional case" within the meaning of 35 U.S.C. Sec. 285 and the District Court, herein, correctly assessed the willful misrepresentations by Kramer and found that this indeed was a "once in a lifetime" situation. It is true that the question of true

inventorship arises for almost every case presented to the Patent Office, because there are always prior patents which are cited by the Patent Office seeking to limit or otherwise deny the applicant's claim for a patent. In those cases, there is no willful or wanton misrepresentation by the applicant, since he is generally unaware of the existence of such prior patents, and often, there is much disagreement as to the construction of the prior patents as bearing upon applicant's new alleged invention. Thus, the assertion by Plaintiff-Appellant that the question of inventorship is common in patent matters is accurate, but a situation where the alleged inventor knowingly misrepresents his activities to the Court, those activities enabling the patent to be granted is indeed exceptional, and this writer has yet to find another case in which the District Court found as a fact that the patentee knowingly lied about his activities which enabled the patent to be granted in his name. The difference between the common question arising in ordinary

day to day patent practice and that here is one of the willful, wanton character of Kramer's conduct, which conduct formed the basis for the District Court's determination that this is an "exceptional case".

Defendant's counsel has billed Defendant almost \$34,000 in this action, partly as a result of a unique fee arrangement with Defendant. The District Court, in adopting the finding of the Magistrate, adopted a reduction of more than half with regard to the requested attorney's fees set forth by Defendant-Appellee's counsel.

With regard to the amount of attorney's fees awarded, the principal question with which this Court should be concerned is whether the rates charged were reasonable for the services rendered. The District Court found that the contingency aspect of Defendant-Appellee's financial arrangements with its client should not be carried for Plaintiff to pay but only that reasonable hourly rates be assessed for the actual work necessary and proper for the matter before the District Court.

Defendant's counsel should be awarded attorney's fees for this Appeal, since Defendant

should not be made to carry the additional burden of such fees in view of Kramer's pernicious conduct.

Plaintiff's counsel had adequate time to prepare for trial, and Plaintiff acted improperly in attempting to achieve further delay by substituting new counsel at the "eleventh hour". In any case, such late substitution did not prejudice Plaintiff's presentation, nor has there been shown such prejudice, in fact or in theory. Further, from the time of original notification until the commencement of the trial, there was approximately six full days. Further, from the time new counsel received prior counsel's files until the termination of trial, approximately ten full working days were consumed, with there being a five-day hiatus during the middle of the trial. Thus, from the time new counsel was notified of his possible appearance in this matter, approximately two weeks were consumed before the trial ended. In view of the nature of the case, it is not seen how Plaintiff's rights were prejudiced.

POINT ONE

THE DISTRICT COURT PROPERLY HELD THIS  
TO BE AN "EXCEPTIONAL CASE"

Kramer, the alleged inventor, filed a patent application for a reasonably specific design covering a hinge bracket and Claim 2 set forth hereinafter is representative of the sought after claimed subject matter.

2. A hinge bracket blank comprising a flat piece of sheet metal having general V configuration thereby to provide an apical portion and divergent leg portions, said apical portion defined by inner and outer rounded edge lines and having substantially greater dimension in the direction of the longitudinal center line of the blank than the thickness of the leg portions, said leg portions having parallel side edges and diverging from one another at an angle of 30-40° to said longitudinal center line and being each provided in its free end portion with a hole for a bracket-attaching pin and the like, the location of the holes in said leg portions and thereby the length of said leg portions being established by the points of intersection of divergent lines extending substantially medially through the leg portions at approximately the same angle to said center line that said leg portions bear to said center line with lines extending in opposite directions outwardly from the midpoint of the inner edge of the blank and which are disposed at an angle of approximately 65° to said center line.

A brief review of the above claim clearly indicates that there are specific design features



including angles, at least two, that enable the hinge bracket to be formed and nested one within another. Indeed, it is the figuring out of the actual configuration of the nesting blank which allowed the patent to be secured. There was no confusion on the part of Kramer as to his representing the inventive activities. He stated over and over during the trial that he not only conceived the concept of nesting hinge brackets but also designed in every last detail the actual angles and other characteristics of the hinge blank design which formed the basis of the above-identified Claim 2.

The Joint Appendix contains very little of the Kramer testimony and therefore, for this portion of the Brief, reference is made to the trial transcript by transcript page number and line number, where so-identified as TR. To highlight the difference, reference is made to pages 19 and 20 of the Appellant's Brief in which it is noted that the only noteworthy facts as to the difference in Gonsalves and Kramer testimonies relates to what Kramer brought with him when he went to Gonsalves for assistance with regard to

nesting hinge brackets. This difference in testimony coupled with the District Court's personal presence viewing witnesses and the like is apparently what led the Court to decide that Kramer lied when he said he invented the design covered by Claim 2 above.

At the close of trial, after almost nine days had transpired from the beginning of the trial to the end, Kramer appeared in Court with what he alleged was a replica of what he gave to Gonsalves, when he originally approached Gonsalves with regard to the question of nesting hinge brackets. Kramer stated he gave Gonsalves the cardboard identified as Plaintiff's trial exhibit 24, containing the 30 and 60° angles (TRP 439, line 23), the reinforcing ribs used for structural strength (TRP 439, lines 16-20), the location of dimples or depressions (TRP 440, lines 8-12) and generally the flat blank shape from which Gonsalves then copied and made drawings of one blank nesting into another. If there was any doubt about whether or not Kramer believed the shape of the bracket coupled with the angles was of importance in obtaining a patent, this was dispelled when he stated, in response to a question

as to whether the angle of 30-40° was critical,

"I think it is critical in my formulation, otherwise I would not have done it and I would not have gotten the patent for it. The patent office thought it was critical too." (App.138, lines 19-22).

The District Court in reviewing the testimony as a whole found that Kramer lied when he said he invented the angles and lied when he said he invented the design for the bracket, which design formed the basis of the above-Claim 2. Thus, Kramer knowingly, intentionally and willfully misrepresented his activities to the District Court as well as to the Patent Office in obtaining a patent in his name, which he later asserted against the Defendants herein. Such fraudulent conduct of such a willful, wanton and reckless nature was not condoned by the District Court below, nor should it have been. We are not here faced with a legal nicety of confusion as to the law and misunderstanding as to an inventor's activity. Here, Kramer knowingly misrepresented his activities, knowing that these activities were important to the awarding of a patent by the United States Patent Office, and

continued his misrepresentations in the face of the District Court. The District Court, based upon its full hearing of all testimony, found that such misrepresentations were incredible and totally false.

Although there are cases of greater authority than that which will initially be presented below, it is believed that the first-cited case Mueller Brass Co. v. Redding Industries Inc. 352 F. Supp.1357 (E.D. Pa. 1972), aff'd 487 F.2d 1395 (3rd Cir.1973) is very applicable to the inventorship issue as will the conduct of patentee herein in that there was an improper inventorship situation, which became apparent to an employee and an attorney of plaintiff corporation. The Court found that an attorney could possibly have discovered the facts surrounding the alleged co-inventors involved, and "still in good faith have mistakenly concluded that Rader was a proper co-inventor, considering the unclearness of the law of co-inventorship..."id at 1381. In rejecting the thrust that attorney's fees be awarded as a disciplinary measure, the District Court distinguished from Monolith Portland Midwest Co. v. Kaiser Aluminum & Chemical Corp. 497 F.2d 288,

294 (9th Cir. 1969) by stating that that case "speaks of awarding attorneys' fees against 'the patentee who obtained the patent by his wrongdoing.'" Ibid at 1381 (emphasis the District Court's) The general statement of law, the District Court had stated earlier when it said,

"Generally, the decision to award attorneys' fees is based on a finding of some misconduct by the losing party. This misconduct may be misconduct in securing the patent,..." Ibid at 1380.

It sometimes does occur that due to a misunderstanding of the nature of the law of invention, a party incorrectly believes that his activities either allow him or preclude him from being named as a sole or joint inventor, as appropriate. In that case, there is a confusion as to the law, but no confusion as to the actual activities in which the party was involved. In the present situation, Kramer cannot hide behind such a cloud, since his misrepresentation is not as to the law, but as to the acts he conducted and the acts he represented to the Patent Office

and to the Court which allowed the patent to be granted and enabled him to seek enforcement of this fraudulently obtained monopoly.

That the question of fraud and willful misrepresentation on the Patent Office is not to be taken lightly has been stated again and again. In Precision Instrument Mfg. Co. v. Automotive Maintenance Machinery Co. 324 U.S. 806 (1945) the Supreme Court was troubled by fraudulent conduct in securing patents and stated,

"A patent by its very nature is affected with a public interest. As recognized by the Constitution, it is a special privilege designed to serve the public purpose of promoting the 'Progress of Science and useful Arts.' At the same time, a patent is an exception to the general rule against monopolies and to the right to access to a free and open market. The far-reaching social and economic consequences of a patent, therefore, give the public a paramount interest in seeing that patent monopolies spring from backgrounds free from fraud or other inequitable conduct and that such monopolies are kept within their legitimate scope. The facts of this case must accordingly be measured by both public and private standards of equity. And when such measurements are made, it becomes clear that the District Court's action in dismissing the complaints and counterclaims 'for want of equity' was more than justified." id at 816.

"Those who have applications pending with the Patent Office or who are parties to Patent Office proceedings have an uncompromising duty to report to it all facts



concerning possible fraud or inequity-  
ableness underlying the applications  
in issue." Id at 818.

The first statement above was cited with  
approval in Walker Process Equipment, Inc. v.  
Food Machinery & Chemical Corp. 382 U.S. 172  
(1965).

The Second Circuit recognizes that ordi-  
narily, the allowance of attorneys' fees is  
within the sound discretion of the trial judge  
in cases involving a willful, intentional and  
deliberate patent infringement under 35 U.S.C.  
Sec. 285, American Safety Table Co. v. Schreiber  
415 F.2d 373, 380 (2nd Cir. 1969). This is the  
generally held view and the Appellate Court's  
inquiry is "directed to whether the district  
court's determinations of fraud and bad faith  
were clearly erroneous. Fed.R.Civ.P. 52(a)".  
Shelco, Inc. v. Dow Chemical Co. 466 F.2d 613,  
618 (7th Cir. 1972) cert.denied 93 S.Ct.125(1972).

In Purer & Co. v. Aktiebolaget Addo 410 F.2d  
(9th Cir. 1969) the Court stated,

"Where the district court has clearly stated  
the basis for its award of attorneys' fees  
this court may not interfere with the dis-  
trict court's exercise of discretion except

where there is an abuse of discretion amounting to caprice or an erroneous conception of law on the part of the trial judge." id at 880.

It is submitted that the lower Court's finding of intentional willful lying as to the design by Kramer amounted to such conduct as to render this case "exceptional", and that such finding was based upon the District Court's hearing of all the evidence, viewing the witnesses, reviewing the record and was, in part, based upon the incredible testimony of Kramer. That this formed the basis for the District Court's decision was so stated.

PLAINTIFF-APPELLANT'S CONTENTIONS WITH  
REGARD TO THE FINDINGS OF "EXCEPTIONAL"  
BY DISTRICT COURT

A. INVENTORSHIP COMMON ISSUE IN LITIGATION

In the Plaintiff-Appellant's Brief, it is urged that the instant case is not a "once in a lifetime" situation as found by the District Court, and that the "Trial Court displayed an unawareness that 'inventorship' issues are extremely common in patent cases..." (Plaintiff's Brief, page 10). Although it has become quite common for parties to, without basis, urge that the alleged inventor is not the true inventor,

this office has yet to find some cases, or even one, where the testimony of the actual inventor was introduced in the same trial as the testimony of the alleged inventor, the alleged inventor knowing that he is not the true inventor. Frequently, a common question of inventorship arises under the Patent Laws and forms a basis for patent claims to be rejected where they do not represent "invention" over prior patents. In fact, a Section 706 of the Manual of Patent Examining Procedure provides a general basis by which examiners reject present applications over prior patents. This type of rejection is commonly recognized and

"A finding that a patent is invalid because obvious to one of ordinary skill in the art is not a sufficient premise to trigger an award of attorney fees. The statute contemplates such misconduct upon the part of the losing party as to constitute fraud on the Patent Office or so unfair and reckless as to make it unconscionable for the prevailing party to sustain the expense of counsel." Q-Panel Co. v. Newfield 482 F.2d 210, 211 (10th Cir., 1973).

B. KRAMER'S ACTIVE LYING AND MISREPRESENTATIONS  
ARE IRRELEVANT

A review of Plaintiff-Appellant's Brief

would lead one to conclude that the fact that Kramer knowingly and intentionally lied to the Patent Office as well as the District Court should not be considered by this Court, or at least should not be considered to be relevant. The Appellant's Brief contains an argument attempting to convert Kramer's activities, as stated by Gonsalves, to amount to a sole inventor or at least a joint inventor. Now, if Kramer had been confused about his activities, or had not understood the significance of his misrepresentations, a legal argument as to what legally constitutes an inventor would have some value. In this case, Kramer stated he was the inventor of the design and it was the design which caused the patent to be granted. To exclude from one's view the contumacious conduct of Kramer in securing his fraudulent patent and suing thereafter, would amount to a grave disservice to the constitutional sanctuary of the United States Patent System. The Patent System is a legalized monopoly in which parties seek

their monopoly and should exhibit at least reasonable conduct in such solicitations. Certainly, Kramer cannot be credited with such an attitude.

A reading of Plaintiff's Brief, beginning at the bottom of page 15 indicates only the Gonsalves testimony. Perhaps, if Kramer had remained silent, one could at least have possibly given him credit for misconstruing his activities as amounting to "invention". Although Gonsalves said that Kramer directed that the critical angle be selected, directed that interlock take place, and much more, the fact is that Kramer testified that he, in fact, invented all of the angles, dimensions and shapes, and such testimony before the District Court as well as the Patent Office was a lie.

In the Plaintiff's Brief on page 18 it states

"Kramer's claim to sole inventorship is a legal conclusion based upon diverse facts rather than a statement of a discrete objective fact. A statement by an affiant of what amounts to no more than an erroneous conclusion of law will not sustain a charge of perjury."

Kramer is the sole patentee of many patents.

Kramer was under no misunderstanding as to what an inventor was, what was necessary to establish invention before the Patent Office, and what was necessary to establish invention before the District Court. He misrepresented his activities, and the allegation that Kramer could somehow now be converted to a sole inventor by calling Kramer's testimony "an erroneous conclusion of law" is straining to hide the active misrepresentations by Kramer.

C. PLAINTIFF CONTENDS THE TRIAL COURT  
APPARENTLY APPLIED THE WRONG STANDARD  
OF PROOF IN DECIDING THE FRAUD CHARGE

The District Court had before it not only relevant records, documents, exhibits, blanks, and other exhibits, but also was able to view three witnesses, whose testimony was in direct conflict. On the one hand, Kramer testified to what his activities were, which were in direct conflict with the testimony of Gonsalves and Dosso. It is not understood what additional evidence the Plaintiff-Appellant would require



since the District Court sat, without a jury, and became the trier of fact as well as of law.

In Barr Rubber Products Co. v. Sun Rubber Co. 425 F.2d 1114 (2nd Cir. 1970), cert. denied 400 U.S. 878 (1970), this Court reversed a finding of the lower Court, Barr Rubber Products Co. v. Sun Rubber Co. 279 F.Supp.49 (S.D.N.Y. 1968), with regard to a finding of perjury. In particular, there was great dispute as to how to interpret a particular letter written by Sun Rubber Co.'s patent counsel, and it was the District Court's interpretation of that letter which in large measure led it to hold Sun Rubber Co.'s activities amounting to fraud. 425 F.2d at 1121. This Court further found that the letter could have been more artfully phrased and that inferences drawn by the District Court from that letter were unconvincing. id at 1122-1123. The Court further stated

"The only motive for the alleged perjury suggested by the district court is an unexpected twist in the Ohio litigation arising subsequent to the date of the November 30, 1956 letter. The inference drawn therefrom is severely undercut by an affidavit of Robert P. Molitor, the

Sun chemist credited with the discovery of the invention patented, dated January 1955, nearly two years before the letter to the Canadian attorneys was written, in which he gives April 1948 as the approximate date he first successfully made hollow objects through rotational casting. Moreover, two of the three documents Sun urges us to judicially notice succinctly demolish the theory that Sun adjusted the date of invention backward sometime after the November 1956 letter was written, at a time when such adjustment appeared necessary to defeat a claim of prior invention.".....

"Aside from the aforementioned letter of November 20, 1956, we believe that the court improperly made additional inferences from other evidentiary matters to support its finding of perjury." id at 1123.

The Second Circuit in Barr further stated that

"irrespective of the failure of the court below to apply the proper standard of proof," id at 1121,

and then went on to find that the District Court's finding of perjury was unwarranted. In the present case, there are no inferences to be drawn from circumstantial evidence, only direct conclusions to be drawn from clearly conflicting testimony. This, the District Court did, and its

findings of fact should not be disturbed unless clearly erroneous. Fed. R. Civ. P. 52 (a).

POINT TWO

THE DISTRICT COURT PROPERLY AWARDED  
\$16,970. AS ATTORNEY'S FEES

In determining an amount for an award of attorney's fees, such an award should not be set aside unless there is an abuse of discretion. American Safety Table Co. v. Schreiber 415 F.2d 373, 380 (2nd Cir. 1969).

The District Court below upon the reviewing the Report and Recommendation of the Magistrate confirmed it in all respects (App. P. 261a-262a). Further, Fed. R. Civ. P. 52(a) enables the findings of the Magistrate to be considered as findings of the Court, to the extent that the Court adopts them. Since the District Court below adopted the findings of the Magistrate which clearly stated the bases for the award of attorney's fees and the amount thereof, this award should not be set aside unless there is an abuse of discretion amounting to caprice or an erroneous conception of law on the part

of the trial judge and the amount of an award of attorney's fees is addressed to the sound discretion of the Court, Purer & Co. v. Aktiebolaget Addo 410 F.2d 871,880 (9th Cir., 1969).

Once having established that a case is "exceptional", the Trial Court uses its discretion in determining an amount to be awarded. In this case, the Trial Court had the added benefit of observing the conduct of counsel during trial and in adopting and confirming the report of the Magistrate, confirmed the view that although defense counsel was not a man of great trial experience, and that this was relatively simple patent case, not warranting a large fee, the Magistrate stated,

"That may be, but apparently (in light of the result), it was tried with great skill by defense counsel." (App. 244a).

The undersigned finds himself in the embarrassing position of trying to add further weight to that statement, but believes it can be considered as a finding of fact, which was part of the consideration by the District Court

below in assessing a reasonable amount of attorney's fees in this case.

Defense counsel requested fees amounting to almost \$34,000. because of an unusual contingency fee arrangement. The Magistrate, during testimony, elicited from defense counsel the nature of the contingency arrangement and also elicited the normal billing rates of \$40, \$50 and \$60 an hour covering the period from 1969-1974 during which defense counsel was associated with this case. The Magistrate, in computing the fee reduced the hours spent for the years 1970-1972 by 50%, in penalizing defendant for his counsel's alleged inexperience, and made other adjustments in arriving at an amount of \$16,970. It is submitted that although the award is not what defendant had requested, it is consistent with the relevant judicial standards in this regard, and that, as stated above, the Second Circuit has consistently felt that the amount of attorney's fees awarded falls within the discretion of the Trial Court, and this should not be disturbed unless clearly

erroneous.

The citation found on Page 21 of the Plaintiff's Brief from Cloth v. Hyman, 146 F. Supp. 185 (S.D.N.Y. 1956) was followed by the Trial Court below since it took into account the amount of work necessary, the amount of work done, the skill employed, the monetary amount involved and the result achieved. Plaintiff-Appellant feels that all the results obtained save one (P. 23 of Plaintiff's Brief) were unremarkable in type and amount. This is not disputed by the Magistrate or Trial Court below, but that one difference amounted to exposing a fraudulent perpetrator. Perhaps, it was that one result which led the Magistrate to comment that this case was tried with great skill, which was also confirmed by the District Court below.

Plaintiff-Appellant would urge that the Second Circuit does not approve the billing rates approved by the District Court below, and to that end urges that this Court follow Judge Frankel in Barr Rubber Products Co. v. Sun Rubber Co. 279



Fed. Supp. 49 (S.D.N.Y. 1968), rev'd in part, 425 F.2d.1114 (2d Cir.1970), cert. denied, 400 U.S. 878 (1970) in which only \$30. an hour was allowed for a partner's time and \$20. an hour for an associate's time. It should be noted though that, when Judge Frankel was determining the amount to be awarded, he stated that the scale of payments awarded was:

"...not mentioned to determine 'worth' as measured in the market for legal service, but which represents a compenious 'feel' if what the court deems just for all the peculiar circumstances of this particular case." 279 F. Supp. at 52.

It should be noted that the District Court ruling as to the finding of perjury was reversed above, as discussed earlier in this Brief, and that perhaps may have been one of the circumstances which led Judge Frankel to his determination as to amounts. The Plaintiff-Appellant, in further support of its position, cites Thermovac Industries Corp. v. Virtis Co., Inc. 159 U.S.P.Q. 349 (S.D.N.Y. 1968) in which Judge Levet reduced the total billing by 50%. It is submitted this has already been done by the District Court below, although it is be-

lieved that such action was unwarranted.

Perhaps the most detailed study of attorney's fees is set forth in Chromalloy Corp. v. American Alloy Surface Corp., 350 F. Supp. 429 (D.Del.1973). In that case, the Court stated,

"If it appears that the hourly rate charged is within a range normally charged for the defense of a patent infringement suit by attorneys of comparable experience and expertise, the court will look no further." id at 431.

The District Court below, herein, found that defense counsel's ordinary billing would have been \$40. an hour in 1970, rising gradually to \$50. an hour in 1972 and \$60. an hour in 1974, with a higher rate for actual court time. In Chromalloy, the Court allowed experienced counsel \$62. an hour in 1971 and \$75. an hour in 1972. The Magistrate considered the background and experience of defense counsel herein and arrived at its fair and reasonable fee figure, discussed above.

#### POINT THREE

THE DEFENDANT ENTITLED TO  
COUNSEL FEES FOR APPEAL



In view of the contumacious conduct of Kramer, the strained presentations to construct Kramer to now be a "sole inventor" seem difficult to understand. Certainly, in light of the Kramer actions which were deliberate and willfull fraud on both the Patent Office and the District Court, such a generous view of the Kramer position would seem inconsistent. Defendant, already has lost half its requested attorney's fees, and the costs of this appeal should be borne by Plaintiff-Appellant. This is consistent with the Second Circuit in which defendant was allowed attorney's fees of \$750. for an appeal in 1948. Jerome v. Twentieth Century-Fox Film Corp. 165 F. 2d 784 (2d Cir.1948). In patent cases, awarding attorney's fees for appeal services has also been allowed. Brennan v. Hawley Products Co. 98 F. Supp. 369 (N.D.Ill.1951). Therefor , defendant requests attorney's fees for this appeal be awarded.

#### POINT FOUR

#### WAS PLAINTIFF-APPELLANT DENIED DUE PROCESS IN THE DISTRICT COURT BELOW

With regard to the assertion that Plaintiff's counsel was forced to trial without adequate time

for preparation, the Court stated in commenting on Plaintiff's counsel's position, that the case

"...is six years-plus old, that counsel who formerly represented your client was notified almost a month ago that the case was being placed on the ready reserve calendar, and I recognize that it is most difficult for you, and I will be and I am sure Mr. Berger will be as solicitous as possible in your conduct of the trial, which I am sure would be outstanding anyway. Go ahead."  
(App. 35a).

It is noted that at no time was there a formal objection to the denial of a request for an extension by Plaintiff's counsel, but this point will not be discussed further, since Plaintiff's counsel believed his objection to have been made and continued to the point of this appeal.

Plaintiff's counsel was notified on Friday that there was a possibility he would be substituted for prior counsel. The trial did not commence until the following Thursday. On Monday prior to that Thursday and some two full days after notification of the possibility that Plaintiff's counsel would be required, the prior counsel's files were received. There has

no showing of any prejudice to Plaintiff's case due to the time from first notification until actual commencement of trial. It is further noted that trial commenced for two full days on Thursday, June 21st, 1974 and Friday, June 22nd, 1974, after which trial was recessed until the following Wednesday, June 27th, 1974. Thereafter, two more half days of court time were consumed until the trial terminated on June 30th, 1974. Therefore, from the time of first notice that Plaintiff's counsel would be required, there were consumed two full weeks and further, from the time Plaintiff's counsel received the prior counsel's documents, a full 10 working days including one whole weekend transpired. Again, there is no showing of any prejudice to Plaintiff's position as a result of the allegedly short period of time. Further, by Plaintiff's own admission, "This was a relatively simple patent infringement case involving a simple technology, a low level of skill..." (App. 223a), the quotation coming from PLAINTIFF'S MEMORANDUM WITH RESPECT TO THE AMOUNT OF ATTORNEY'S FEES AWARDED TO

DEFENDANT.

The citation of Powell v. Alabama, 287 U.S. 45 (1932) is ill-placed since it is hard to correlate a criminal charge in which the defendant is brought to trial within five hours of his arrest and a civil action in which trial commences five days after counsel is notified of his connection with the case, and some two weeks after the trial finally terminates.

To the assertion that Plaintiff's counsel was unaware of the details of the fraud charge, there can be two responses made. By an Amendment to the original Answer entered by Stipulation on December 22nd, 1970, it was specifically stated,

"That the Plaintiff Hyman Kramer committed fraud on the Patent Office by reason of falsely making oath that he was the first inventor of the invention as set forth in each and every one of claims 1 through 3... (App. 23a)

Plaintiff Hyman Kramer committed fraud on the Patent Office in the solicitation of the above-identified patent application which matured into the patent-in-suit." (App. 25a).

Trial Exhibits K and K-1 contained George Gonsalves' signature and during depositions of



Hyman Kramer in 1971, he was asked to identify the signature as being that of George Gonsalves, so that prior counsel had adequate knowledge and notice of the existence of George Gonsalves, of defendant's claim that George Gonsalves was in fact the true inventor and that his client, Hyman Kramer, lied when he said he invented the design. The fact that Hyman Kramer was less than candid with his attorney or that prior counsel did not adequately advise present counsel as to the existence of George Gonsalves, and the fact that present counsel was not aware that the charge of fraud made in the amended counterclaim in 1970 had substance is not the fault of defendant, at all.

In view of the above, there is a lack of showing of any prejudice to Plaintiff by the Trial Court's alleged rush to trial and in view of the simple nature of this action, it is not believed such prejudice can be shown.

#### CONCLUSION

For all the above reasons, the judgment of the District Court should be affirmed in

all respects and this Court should award Defendant-Appellee such other, further and different relief as appears appropriate in view of the arguments made herein.

Respectfully submitted,

PETER L. BERGER

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Appellee  
370 Lexington Avenue  
New York, New York 10017  
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## ADDENDUM

Manual of Patent Examining Procedure (Third Edition) November 1961, U.S. Department of Commerce, Patent Office

## 706 Rejection of Claims

Although this part of the Manual explains the procedure in rejecting claims, the examiner should never over look the importance of his role in allowing claims which properly define the invention.

Rule 106. Rejection of claims. (a)

If the invention is not considered patentable, or not considered patentable as claimed, the claims, or those considered unpatentable will be rejected.

(b) In rejecting claims for want of novelty or for obviousness, the examiner must cite the best references at his command. When a reference is complex or shows or describes inventions other than that claimed by the applicant, the particular part relied on must be designated as nearly as practicable. The pertinence of each reference, if not apparent, must be clearly explained and each rejected claim specified...

When an application discloses patentable subject matter and it is apparent from the claims and the applicant's arguments that the claims are intended to be directed to such patentable subject matter, but the claims in their present form cannot be allowed because of defects in form or omission of a limitation, the examiner should not stop with a bare objection or rejection of the claims. The examiner's action should be constructive in nature and when possible he should offer a definite suggestion for correction.

If the examiner is satisfied after the search has been completed that patentable subject matter has been disclosed and the record indicates that the applicant intends to claim such subject matter, he may note in the



Office action that certain aspects or features of the patentable invention have not been claimed and that if properly claimed such claims may be given favorable consideration.

#### 706.02 Rejection on Prior Art

... Prior art rejections should ordinarily be confined strictly to the best available art. Exceptions may properly be made, e.g., (1) where the propriety of a 35 U.S.C. 102 rejection depends on a particular interpretation of a claim; (2) where a claim is met only in terms by a reference which does not disclose the inventive concept involved; or (3) where the most pertinent reference seems likely to be antedated by a rule 131 affidavit or declaration. Such rejections should be backed up by the best other art rejections available. Merely cumulative rejections; i.e., those which would clearly fall if the primary rejection were not sustained, should be avoided.



In The  
UNITED STATES COURT OF APPEALS SECOND CIRCUIT

HYMAN KRAMER, doing business as HYM KRAMER  
ENTERPRISES

Plaintiff -Appellant

against

DURALITE COMPANY, INC., and G&A MACHINE WORKS  
INC.,

Defendants -Appellees

Index No.

Affidavit of Personal Service

STATE OF NEW YORK, COUNTY OF

ss.:

Juan Ramos

being duly sworn,

deposes and says that deponent is not a party to the action, is over 18 years of age and resides at

106 West 105th Street NYC

That on the 9th day of December 1974 at

Harvey E Baumgarden, Jr

Arthur, Dry & Kalish

1230 Sixth Ave. NYC.

deponent served the annexed Appellees Brief

upon

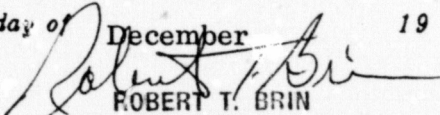
see above

2

the Attorney in this action by delivering a true copy thereof to said individual personally. Deponent knew the person so served to be the person mentioned and described in said papers as the herein,

Sworn to before me, this 9th

day of December 19 74

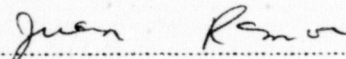
  
ROBERT T. BRIN

NOTARY PUBLIC, STATE OF NEW YORK

NO. 31 - 6418030

QUALIFIED IN NEW YORK COUNTY

COMMISSION EXPIRES MARCH 30, 1975



Print name beneath signature

Juan Ramos